

INTUG

Cancun, Mexico 16-18 October 2001

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Regulatory principles a user perspective

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INTUG contents

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INTUG what are INTUG's aims?

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- real and effective competition
- genuine choice for users
- lower prices
- higher quality
- more innovative services
- constructive co-operation with
 - international bodies
 - governments
 - regulators



INTUG geography of competition

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- competitive markets
 - financial districts of largest cities in developed countries
- non-competitive “markets”
 - smaller cities
 - outer suburbs
 - homes
 - farms
- can vary from street to street



INTUG historic operators

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- the incumbent or former monopolist
- strong political links and skills
- unimaginative
 - afraid to change
 - slow to change
- except for 3D – deny, delay and degrade
- leverage from established positions



INTUG independent regulator

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- in the WTO Reference Paper
- genuine independence from all vested interests
- consultative processes open to all
- can be in the competition authority
- an independent appeals procedure
- drawn out processes favour the incumbent



INTUG leased lines

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- we have complained since 1974
- market failures in
 - pricing
 - provisioning
 - discounting
 - availability
 - quality of service
 - coverage
- continuing abuses by monopolists



INTUG local loop unbundling

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- long political battles to get this agreed
- bitterly resisted by incumbent operators
- opens up incumbent's infrastructure
- provides access to core networks for:
 - new entrants
 - global carriers



INTUG wireless local loop

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- successes and failures
- knock-on effects of:
 - 3G spectrum allocation
 - dot.com crash
- only a few historic operators have been allowed into WLL market



INTUG wireless walled gardens

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- wild success of NTT DoCoMo I-mode
- virtual razorwire:
 - Subscriber Identity Module (SIM) locked
 - portal locked
 - selective third party billing
 - no mobile number portability
- French court case forced open access to other providers for WAP



INTUG international mobile roaming

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- outrageous charges
- ripping off each other's customers
- not easy for a single regulator to act
- spectrum and market size/growth limit the number of players
- operators have blocked subsequent competitive entrants
- operators have relied on customers just paying the bills



INTUG European Commission

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- formal competition inquiry
- launched July 1999
- working document December 2000
- discussion with national competition authorities
- “dawn raids” July 2001
- results in late 2002



INTUG mobile number portability

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- essential for a a competitive market
- demanded by customers
- repetitive national battles
- resisted by licensed operators
- operational in Hong Kong SAR
- still be introduced in Germany (Q4 2002)



INTUG Wireless LANs

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- unlicensed spectrum & IEEE 802.11
- offices, factories and campuses
- hotels, airports, coffee shops, pizza and hamburger outlets
- a real challenge to 2.5G services
- does not fit easily with existing regulations



INTUG multi-country numbering

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- strong but unmet commercial demand
 - language groups (e.g. Arabic & Spanish)
 - continental
 - global
- nobody can enforce it
- liberalisation has destroyed the mechanisms
- mixed with tariffing issues



INTUG Voice over IP

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- raises complex issues
- further undermines the obsolete international accounting rate system
- where do LDCs find alternative funding?
- is peer-to-peer voice a service or an application?
- IP traffic exchange issues - ICAIS
 - APEC TEL Cancun Declaration



INTUG conclusions

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- many persistent market failures
- competition law is a slow tool
- regulation can be a very political tool
- for new entrants life can be ugly, brutish and short, yet we need new entrants to create and increase competition
- new technologies force us to rethink from first principles



INTUG regulatory principles

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- independence of regulators
- aspiration to be the best environment for users
- requires understanding the realities of the markets
- open consultation for all players
- technological neutrality
- encouragement of competition and new entrants

